

# EXECUTIVE SUMMARY

---

## PURPOSE

To assess States' progress in carrying out their Medicare/Medicaid nursing home survey responsibilities under the 1987 Nursing Home Reform Law.

## BACKGROUND

The 1987 nursing home reforms marked a major shift in how States monitor nursing home quality. Prior to implementing those reforms in October 1990, State surveys of homes receiving Medicare or Medicaid stressed reviewing processes and records to document compliance with Federal standards. Now the process-focussed record review has taken a back seat to observing how well the staff meet individual resident needs and how well the home's structure supports resident well-being. This shift reflects the recommendations called for in the Institute of Medicine's 1986 study, *Improving the Quality of Care in Nursing Homes*.

In this report, we examine the States' progress in carrying out their survey responsibilities. By survey responsibilities, we mean conducting the certification surveys, responding to complaints, and carrying out the follow-up activities these two entail, such as extended surveys. We sought information from the top 20 States ranked by number of nursing home beds and draw on interviews with 18 State survey agency officials and data from 19 of those top 20 States. The 19 States contain 73 percent of the nursing home beds in the country; the 18, 70 percent. We interviewed nursing home surveyors and supervisors in two States. We also draw on information from the Health Care Financing Administration's (HCFA) central and regional office staff and discussions with national groups representing nursing homes and residents.

## FINDINGS

*The 19 States are making progress in carrying out their new nursing home survey responsibilities called for in the 1987 Nursing Home Reform Law.*

- Resources for nursing home survey and certification increased from FY 1990 to 1992. The budgets increased in each of the 19 States; staff increased in 16 of the 19 States and decreased in 3. The average budget increase was 59 percent, and the average staff increase, 37 percent.
- State survey agencies are overseeing nursing homes with the new, outcome-focussed survey process. They are also taking steps to implement a new, more flexible survey cycle, which allows them to concentrate on problem homes.
- Seventeen of the 19 States are conducting the standard certification surveys on time.

***Despite their progress, the 19 States are facing implementation problems that could jeopardize the intent of the nursing home reforms.***

- State survey staff are experiencing problems adjusting to the new outcome-focussed survey. While surveyor training has helped, both HCFA regional staff and State officials expressed concerns about that training.
- State survey agencies contend with staff turnover and recruitment problems that are compounded by their own State fiscal pressures. At the time they responded to our survey, the 19 States reported over 700 vacancies among about 3,800 survey and support staff in FY 1992.
- State survey agencies' relationships with nursing homes are increasingly contentious as the reforms provide new incentives for nursing homes to refute deficiencies. This can result in surveyors citing fewer or less serious deficiencies.
- The State survey and HCFA regional officials expressed concerns over long waits for HCFA regulations and, to a lesser extent, over unclear and inconsistent guidance from HCFA. This can result in confusion and inconsistent implementation.

***Vulnerabilities in both nursing homes and other State-surveyed health facilities could be looming as States focus on the implementation challenges of the reforms.***

- Complaints about nursing homes increased for 15 and decreased for 3 of the 18 responding States from FY 1990 to 1992. The average increase was 74 percent. Some State survey officials are concerned about their ability to respond to complaints quickly and effectively.
- Some State survey officials report curtailing, delaying, and/or omitting surveys for facilities such as home health agencies, hospices, and hospitals.

## **CONCLUSION**

Nursing home and resident advocates alike welcomed the nursing home reforms of 1987 as a positive step in improving the lives of nursing home residents. And the intent of the reforms is beginning to be realized. The HCFA has an important role to play in fostering continued progress in the implementation of these reforms. Toward this end, it has opportunities in three areas. First, it could invigorate its surveyor training program to enhance surveyor skills. Second, it could use its annual evaluation of each State agency's contract compliance to identify areas of weak performance, and then take action to prevent problems before they present any danger to users of State-surveyed health facilities. Finally, HCFA has opportunities to improve its guidance to States by quickly issuing final regulations and ensuring the State Operations Manual reflects current HCFA policy.